

AN ACT

ENTITLED, An Act to provide for reasonable compensation by manufacturers of outdoor power equipment for warranty work done by a retailer that sells outdoor power equipment.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. Terms used in this Act shall only be used for the purposes of this Act and mean:

- (1) "Retailer of outdoor power equipment," a business that purchases outdoor power equipment for resale including: light industrial lawn and garden equipment, handheld lawn and garden equipment, snow removal equipment, and small engines and other power sources that operate such equipment;
- (2) "Manufacturer," a person who manufactures or assembles outdoor power equipment and sells outdoor power equipment directly or through a distributor to a retailer of outdoor power equipment and provides a warranty;
- (3) "Warranty," a commitment by a manufacturer to provide parts and labor for the outdoor power equipment they manufacture that is defective or needs adjustment or repair.

Section 2. Any manufacturer of outdoor power equipment that authorizes the retailer of outdoor power equipment selling such equipment to perform the warranty work shall include reasonable compensation for diagnostic work, as well as repair service, parts, and labor to the retailer. Time allowances for diagnostic and performance of warranty work and service shall be adequate for the work to be performed. The hourly labor rate paid to the retailer for warranty services may not be less than the rate charged by the retailer for like service to nonwarranty customers for nonwarranty service. Reimbursement for parts used in the performance of warranty repair may not be less than the amount paid by the retailer to acquire the parts plus a reasonable allowance for handling, which may not be less than thirty percent.

Section 3. The provisions of this Act do not apply if the manufacturer's only method of sales is

a contract with the retailer that provides for an exclusive trade territory and requires the retailer to make warranty repairs on such equipment.

An Act to provide for reasonable compensation by manufacturers of outdoor power equipment for warranty work done by a retailer that sells outdoor power equipment.

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I certify that the attached Act
originated in the

SENATE as Bill No. 135

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 135
File No. _____
Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
=====

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State